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State of Wisconsin
Department of Workforce Development

June 24, 2003

TO: WAA Agencies

FROM: Ron Hunt, Director
Bureau of Workforce Programs

RE: State budget impact on Workforce Attachment and Advancement (WAA) Program

On May 20, 2003 the Joint Committee on Finance voted to delete the Governor's proposed funding for the WAA program in SFY 2003-05. It also voted to repeal the statutory authority for the program. This action was taken as part of the omnibus motion #156 to fully fund the child care subsidy program and address the approximately \$94 million TANF structural deficit.

Since that time, department staff have been receiving a number of questions from the WAA agencies related to the status of the WAA program. We understand your concerns about the future of the WAA program, about your contracts with sub-contractors, and about the clients you serve. Unfortunately, because of the uncertain nature of the budget process, we are unable to clearly answer most of your questions. It is because of this uncertainty that we decided to wait for more direction before finalizing the deobligation/reobligation process.

Without clear information, I realize it is difficult for your agency to decide what your approach to operating the WAA program should be at this time. In order to help you with your decision-making process, this letter outlines three possible budget scenarios for the WAA program. I cannot advise you as to what your particular agency should do, but I do hope this information helps you better understand each of the budget possibilities and enables you to make the best decision for your agency and clients, under the circumstances.

Budget Possibilities

- 1) **Legislative action on the WAA Program stands.** The Joint Committee on Finance action was passed by the full Legislature and could be signed by the Governor. Because this would repeal statutory authority for the program, all WAA spending would end as of the effective date of the budget. This could be as early as June 30, 2003; however, it could also be later than June 30, depending on when the budget is signed. In recent bienniums, budgets were not passed until early to mid fall. Until the budget bill is signed and in effect, WAA program spending could continue as planned.

- 2) **The Governor vetoes the language repealing statutory authority for the program.** The Governor could veto the repeal of the statutory authority for the program. This would allow the WAA agencies to complete the January 2002 to December 31, 2003 WAA contracts. Because no new funding for the WAA program is included in the budget, the program would end as of December 31, 2003. However, the department could be able to fund the program at a later date, if funds become available and are approved by the Legislature.
- 3) **The Governor vetoes the entire budget bill.** If the Governor vetoes the entire budget bill, the budget process would start over. WAA agencies could continue to incur expenses under the current contract. It is unknown whether or not funding and statutory authority for the WAA program would be included in a new budget bill.

We do not know which of these budget scenarios is most likely.

I realize your agency has a difficult decision ahead in deciding whether or not to continue operating the WAA program according to your plan. I encourage you to review the possible budget scenarios we outlined and determine what approach is best for your agency during these uncertain budget times. We will continue to provide updates on the budget to you, as they become available.

Please feel free to contact me, your regional office staff, or your local program liaison with any additional questions or concerns you may have.

Cc: Bettie Rodgers
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Nancy Buckwalter
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Local Program Liaisons
Lee Mutchler, ASD
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